

BEFORE THE SECURITIES COMMISSIONER

STATE OF COLORADO

Case No. XY 15-CD-02

CONSENT CEASE AND DESIST ORDER CONCERNING FIFTH AUSTIN FUNDING, LLC; FOURTH AUSTIN FUNDING, LLC; THIRD AUSTIN FUNDING, LLC; AUSTIN FUNDING TWO, LLC; AUSTIN FUNDING, LLC; AND WILLIAM C. SCHLAPMAN

IN THE MATTER OF FIFTH AUSTIN FUNDING, LLC; FOURTH AUSTIN FUNDING, LLC; THIRD AUSTIN FUNDING, LLC; AUSTIN FUNDING TWO, LLC; AUSTIN FUNDING, LLC; AND WILLIAM C. SCHLAPMAN

Respondents

THIS MATTER is before Gerald Rome, Securities Commissioner for the State of Colorado, on the Stipulation for Consent Order Concerning Fifth Austin Funding, LLC; Fourth Austin Funding, LLC; Third Austin Funding, LLC; Austin Funding Two, LLC; Austin Funding, LLC; and William Schlapman ("Respondents"). After reviewing the Stipulation, the grounds therein, and further being fully advised in the premises, the Securities Commissioner makes the following Findings and enters the Order as hereinafter set forth.

FINDINGS

1. The Securities Commissioner ("Commissioner") has jurisdiction over Respondents Fifth Austin Funding, LLC; Fourth Austin Funding, LLC; Third Austin Funding, LLC; Austin Funding Two, LLC; Austin Funding, LLC (collectively "Austin Funding"); and William C. Schlapman and this matter pursuant to the provisions of the Colorado Securities Act, §§ 11-51-101 through 803, C.R.S. (the "Act").

2. The interests offered and sold by Respondents are "securities" under the Act in that they are at least "evidence of indebtedness" and "investment contracts" as defined in § 11-51-201(17), C.R.S. (2014).

3. By engaging in the conduct described in the Verified Petition for Order to Show Cause, the Respondents have made "offers" of securities in and from the State of Colorado pursuant to § 11-51-201(13), C.R.S. (2014).

4. At the various times the Respondents made such offers of sales, the securities offered were neither registered, nor exempt from registration, as required by § 11-51-301, C.R.S. (2014).

5. By engaging in the conduct described in the Verified Petition for Order to Show Cause, the Respondents are offering for sale unregistered securities in violation of § 11-51-301, C.R.S. (2014), by virtue of § 11-51-606(1.5)(b)(I), C.R.S.

6. The Respondents neither admit nor deny the allegations contained within the Verified Petition for Order to Show Cause or the findings in this Consent Order.

7. By entering into the Stipulation for this Consent Order, Respondents have waived their right to notice and a hearing on the allegations against them pursuant to § 11-51-606(1.5), C.R.S. and §§ 24-4-104 and 105; the right to be represented at such hearing by counsel chosen and retained by them; the right to present a defense, oral and documentary evidence, and cross-examine witnesses at such hearing; and the right to seek judicial review of this Consent Order entered pursuant to the Stipulation.

8. Respondents have waived the findings required by § 11-51-606(1.5)(d)(IV), C.R.S.; and pursuant to § 11-51-704(2), C.R.S., the entry of this Consent Order is necessary or appropriate in the public interest and is consistent with the purposes and provisions of the Act.

ORDER

NOW, THEREFORE, on the basis of the foregoing, it is hereby ORDERED as follows:

1. Respondents Austin Funding and William C. Schlapman, their officers, directors, agents, employees and servants, as may be, any person who, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under the common control with Respondents, and all those in active concert or participation with Respondents, who receive actual notice of this Order by personal service or otherwise, are hereby immediately and permanently ordered to cease and desist from engaging in any of the following acts:

- a. Offering to sell or selling any security in or from the State of Colorado unless the Respondents are in compliance

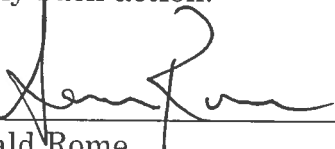
with the provisions of §§ 11-51-301, 401, and 501 C.R.S.,
or

- b. Otherwise engaging in conduct in violation of any
provision of the Colorado Securities Act, §§ 11-51-101, *et*
seq., C.R.S.

2. The provisions of the Stipulation are incorporated into and made
a part of this Consent Cease and Desist Order.

3. The Commissioner shall retain jurisdiction over this action to
ensure the compliance by Respondents with this Order, and reserves the
power to enter additional orders to effectuate and to ensure the compliance of
Respondents with this Order.

4. In the event that the Staff commences an action against any
Respondent for an alleged violation of this Consent Cease and Desist Order,
then this Consent Cease and Desist Order, the Stipulation for Consent Cease
and Desist Order, and the factual basis of this proceeding shall be admissible
in any such action.



Gerald Rome
Securities Commissioner

10/21/14

Date